Alberta's weekly economic review

June 8, 2012

Labour force

Job gains push Alberta's unemployment rate to lowest level since December 2008

Alberta's labour market continued to gain strength last month. The province added 9,800 jobs in May, building on a similar gain in April. Most of the new jobs were full-time, and concentrated in self-employed positions (+8,200). At the industry level, 10 of 16 sectors saw employment increase, led by a sharp 10,500 uptick in accommodation and food services.

The job gains pushed Alberta's unemployment rate down 0.4 percentage points to 4.5%, tied with Saskatchewan for the lowest in Canada.

Alberta has now added 84,500 jobs since May 2011, representing a nation-leading 4.1% increase.

Nationally, job creation came to a virtual halt after two strong monthly gains. Only four provinces added jobs in May, led by Quebec (14,700) and Alberta (9,800), while Ontario (-18,700) saw the largest drop. Overall, Canadian employment rose by a modest 7,700 jobs, keeping the unemployment rate at 7.3%.

Housing Starts

Alberta housing starts dip, but remain well ahead of last year's level

Housing starts contracted for the first time since January, falling 15.1% to 31,400 (seasonally adjusted at annual rate, SAAR) in May. However, compared to 2011 levels, starts have improved markedly in every month this year: May's year-over-year increase came in at 25.1% while the year-to-date gain is 46.9%.

Nationally, housing starts dropped by 13.3% to 211,400 (SAAR), but were still 11.4% above last May's level.

Building Permits

Building permits point to stronger construction intentions

Building permits, an indicator of future construction, rose to the highest level in over a year. Following two consecutive monthly gains, the value of building permits jumped 10.8% to $1.3 billion in April, which is 48.5% above the same month last year. The impressive year-over-year increase was mainly due to strong growth in non-residential building permits (157.8%), as residential building permits edged up by only 1.5%. In the first four months of the year, permits are up a solid 16.7% over the same time last year, a sign of stronger construction activity ahead.

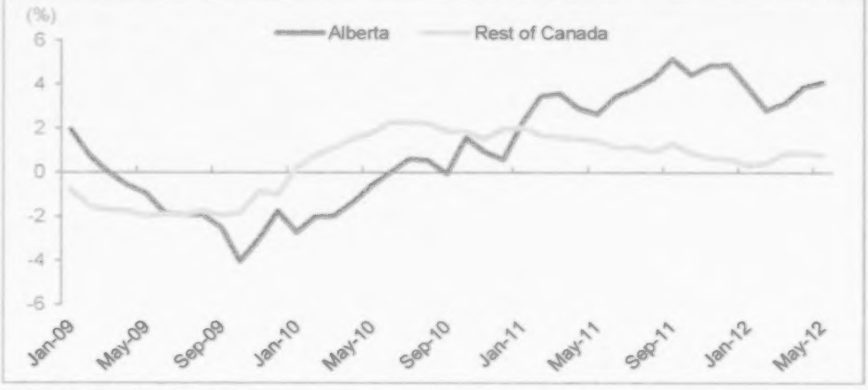
International Merchandise Trade

Alberta's exports edge back in April, but otherwise following an upward trend.

Alberta's exports fell by 4.9% in April to $8.4 billion, partly offsetting March's 10.1% increase. However, compared to April 2011, exports were up a solid 21.2%, led by stronger energy shipments and marking the 28th consecutive month of year-over-year gains.

At the national level, exports dropped 1.2% in April due to lower prices, while imports rose 0.1%. As a result, the trade balance slipped into deficit for the first time in six months.

Employment Growth (Year-over-Year Percentage Growth)



Source: Statistics Canada

Closing Prices	June 1, 2012	June 7, 2012	2012–13 Fiscal YTD
Canadian Dollar ($US/$CAN)	96.34	97.10	99.45
WTI Oil ($US/bbl)	$83.29	84.82	97.28
NYMEX Natural Gas ($US/MMBtu	$2.33	2.27	2.79

Alberta Economic Indicators[1]

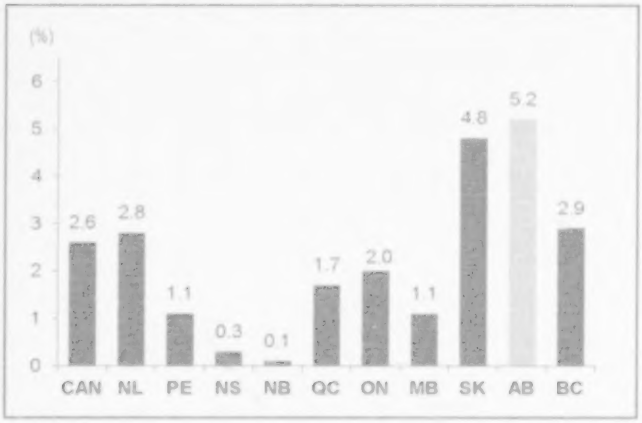
Population	2010	2011	2012YTD	Dec	Jan	Feb	Mar	Apr	May
Population ('000's)	3,721	3,779	3,816		3,816				
% change	1.3	1.6	2.0		2.0				
Net interprovincial Migration[2] (net)	2,193	13,660	9,146		6,013				
Net International Migration (net)	21,533	14,000	13,877		6,258				
Net Non-permanent Residents[2] (net)	77	7,089	2,400		105				
Labour Market									
NEW: Employment ('000's)	2,017	2,084	2,135	2,133	2,135	2,126	2,132	2,143	2,150
% change	0.4	3.3	3.0	4.0	3.9	3.8	3.7	3.9	4.1
NEW: Unemployment Rate (%)	6.5	5.5	4.9	4.9	4.9	5.2	5.3	4.9	4.5
NEW: Participation Rate (%)	72.9	73.7	73.9	74.0	74.1	73.7	73.9	73.9	73.7
Average Weekly Earnings ($)	994.28	1,038.70	1,068.91	1,040.74	1,056.05	1,054.80	1,094.40		
% change	4.5	4.6	2.8	4.4	2.5	3.4	5.5		
Price Indices									
Consumer Price Index	1.0	2.4	1.8	2.0	2.0	1.9	1.7	0.8	
Excluding food and energy	0.8	0.8	1.5	1.2	1.4	1.0	1.5	2.1	
Non-Res. Building Construction Price Index[3]	0.1	3.4	4.5	4.0			4.5		
NEW: Farm Product Price Index	3.9	17.4	4.1	13.0	7.2	9.2	2.5		
Crops	-14.5	19.1	-3.0	1.0	-9.6	-3.9	4.8		
Livestock	5.7	17.2	10.9	17.6	15.1	9.5	4.3		
Household Sector									
NEW: Housing Starts (SAAR, '000's)	26.9	25.5	32.3	28.5	25.9	31.0	35.2	37.0	31.4
% change	34.5	-5.3	46.9	32.3	34.2	41.6	68.4	67.3	25.1
Housing Price Index[4]	0.5	0.4	0.5	0.5	0.7	0.5	0.8		
Edmonton	-0.8	0.9	0.7	1.2	1.3	0.4	0.8		
Calgary	1.7	-0.1	0.4	0.1	0.5	0.4	0.8		
MLS Average Resale Prices ($ 000's)	350.9	352.7	356.4	351.0	349.0	360.0	359.6	362.5	
% change	3.1	0.5	0.6	0.2	2.9	6.2	2.5	1.3	
Edmonton ($ 000's)	326.5	326.5	332.0	328.0	325.2	334.9	331.3	337.2	
% change	2.3	0.7	2.9	1.1	0.7	4.8	2.6	3.2	
Calgary ($ 000's)	397.4	401.9	401.2	432.4	378.5	410.5	407.6	407.4	
% change	3.4	1.1	0.5	1.7	6.2	8.5	2.4	1.3	
Retail Sales	6.0	6.9	9.7	7.9	11.0	9.3	9.0		
New Motor Vehicle Sales	9.5	9.6	18.3	10.4	23.6	20.8	12.9		
Consumer Bankruptcies (level)	8,160	7,029	1,618	483	517	535	566		
% change	-18.4	-13.8	-14.6	4.3	-19.6	-16.2	-16.5		
Business Sector									
Rig Drilling (level)	207	285	285	108	401	450	336	141	89
% change	61.3	37.9	4.7	25.8	7.6	9.9	-7.5	14.4	4.5
NEW: Goods Exports (customs based)	12.4	18.9	15.9	15.7	14.9	17.2	11.3	21.3	
Energy	17.2	19.2	18.5	16.7	14.5	17.6	13.2	30.7	
Agriculture	14.4	21.4	22.2	30.9	27.4	18.4	26.1	17.9	
Total Farm Cash Receipts (quarterly)	7.7	16.3	26.3	30.3			28.3		
Manufacturing Shipments	11.0	18.0	14.6	16.1	14.6	16.0	13.0		
Wholesale trade	10.8	14.8	15.1	15.7	15.3	16.2	13.8		
NEW: Building Permits	2.1	11.2	16.7	48.6	43.4	22.6	36.9	48.5	
Residential	24.7	4.7	22.2	31.6	24.2	50.2	21.8	14	
Non- residential	-19.0	20.4	10.5	67.1	61.7	60.9	64.6	157.9	
Business Bankruptcies (level)	378	264	64	18	20	25	19		
% change	-6.7	-30.2	-17.9	-59.1	-33.3	13.6	20.9		

YTD (year to date) represents the change since the beginning of the year compared to the same period in the previous year.
[1]Unless otherwise indicated, all figures are year over year percentage change.
[2]Quarterly, annual numbers are presented on a census year basis (July 1 – June 30)
[3]Quarterly, average of Calgary and Edmonton
[4]Average of Calgary and Edmonton

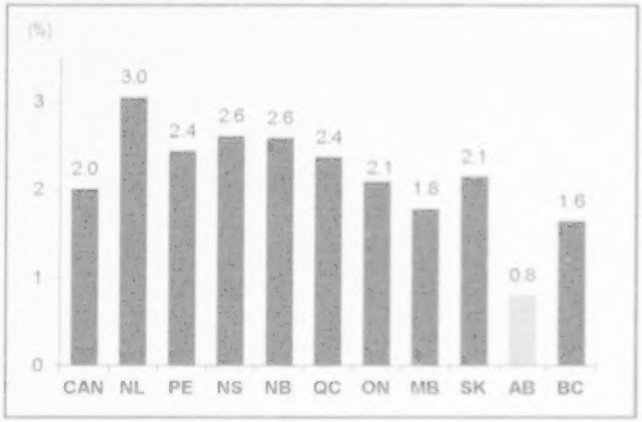
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rig Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

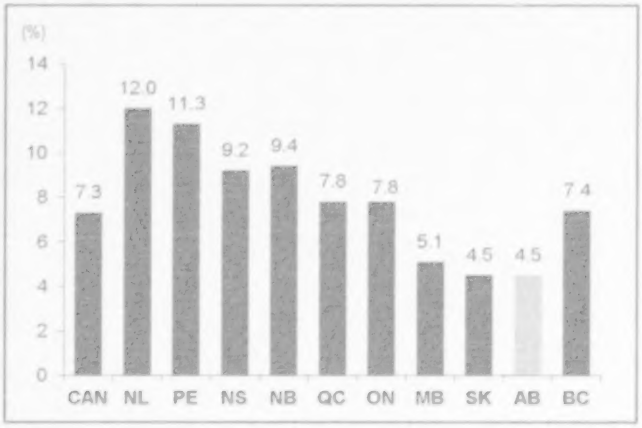
Real GDP Growth by Industry
(2011 preliminary estimates, year-over-year growth)



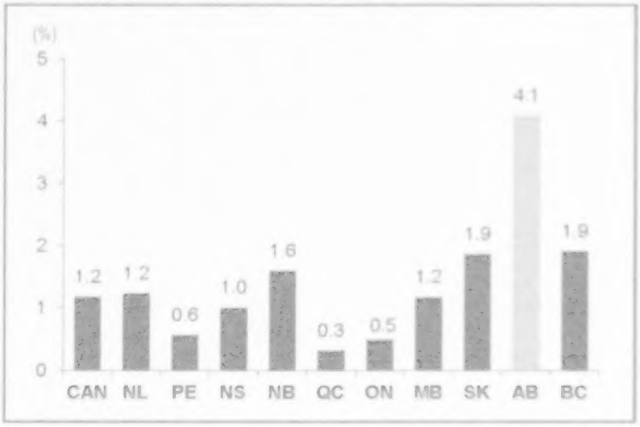
CPI Inflation
(April 2012, year-over-year growth)



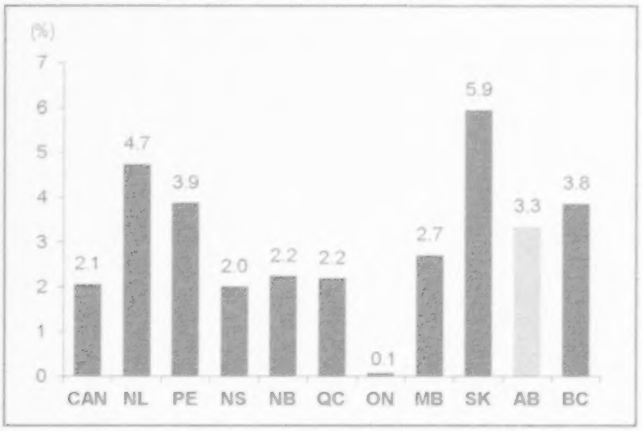
Unemployment Rate
(May 2012)



Employment
(May 2012, year-over-year growth)



Average Weekly Earnings
(March 2012, year-over-year growth)



Housing Starts
(May 2012, SAAR, year-over-year growth)